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LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

FINANCIAL STATEMENTS

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 0 9 2000
JUNE 30, 1999

YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

4700 LINE AVENUE

P. O. Box 5926

SHREVEPORT, LOUISIANA 71135-5926

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Association on Compulsive Gambling
Shreveport, Louisiana

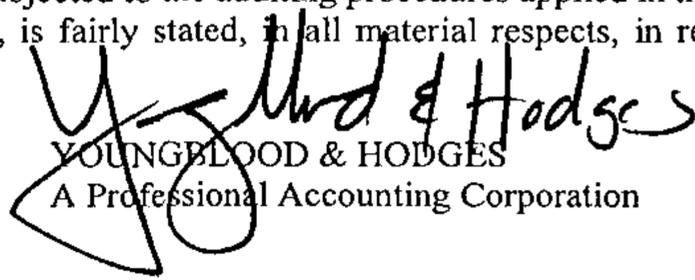
We have audited the accompanying statement of financial position of the Louisiana Association on Compulsive Gambling (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association on Compulsive Gambling as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 1999, on our consideration of the Louisiana Association on Compulsive Gambling's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Louisiana Association on Compulsive Gambling taken as a whole. The accompanying schedule of state contracts is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


YOUNGBLOOD & HODGES
A Professional Accounting Corporation

December 22, 1999

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS

Current Assets

Cash on hand and in bank, including \$128,955 bearing interest (Note 1)	\$ 130,838
Deposit with State of Louisiana	18,620
Accounts Receivable	152,428
Prepaid Rent (Note 3)	41,750
Prepaid Insurance	<u>6,027</u>
Total current assets	<u>349,663</u>

Property and Equipment (Notes 1 and 4)

Furniture and fixtures	24,591
Leasehold improvements	20,317
Vehicles	<u>26,079</u>
Total property and equipment	70,987
Less: accumulated depreciation	<u>(3,477)</u>
Net property and equipment	<u>67,510</u>

Total Assets \$ 417,173

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable \$ 88,895

Net Assets

Net assets-Unrestricted 328,278

Total Liabilities and Net Assets \$ 417,173

See accountant's report and notes to financial statements

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

<u>Public Support</u>	
Membership Dues	\$ 70
Contributions	<u>161,726</u>
Total Public Support	<u>161,796</u>
 <u>Revenues</u>	
LSU Contract Income	4,525
State of LA Contracts	63,759
In-Kind Contributions-CORE	16,300
State of LA Con Treatment Center	311,934
Client Fees-CORE	2,105
Reimbursed Expenses	153
Miscellaneous Income	90
Interest Income	1,073
Conference Income	8,740
Seminar Income	<u>1,975</u>
Total Revenues	<u>410,654</u>
 Total Public Support and Revenues	 <u>572,450</u>
 <u>Expenses</u>	
<u>Program Services</u>	
Payroll	36,250
FICA/Medicare	2,774
Workman's Compensation Insurance	632
U.C.C.S. Taxes	961
Accounting	500
Board Meeting Expenses	1,056
Conferences & Seminars	19,247
Dues	1,695
Insurance	4,219
General Liability Insurance	600
Miscellaneous Expense	369
Permits and Fees	10
Postage	262
Printing	579
Literature & Videos	92

See accountant's report and notes to financial statements

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999
(Continued)

<u>Program Services</u> (Continued)	
Professional Fees	8,813
Reimbursement to Council for Fiscal Year 98-99	12,000
Training Supplies	775
Travel	8,606
Auto Allowance	10,750
Treatment Center Expenditures (Note 4)	<u>308,443</u>
Total Program Services	<u>418,633</u>
Increase (decrease) in net assets	153,817
Net assets-June 30, 1998	<u>174,461</u>
Net assets-June 30, 1999	<u>\$ 328,278</u>

See accountant's report and notes to financial statements

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

<u>Cash flows from operating activities</u>	
Increase (decrease) in net assets	\$ 153,817
 <u>Adjustments to reconcile net income to net cash provided by operating activities</u>	
Depreciation	3,477
(Increase) decrease in accounts receivable	(163,577)
(Increase) decrease in other assets	(7,671)
Increase (decrease) in accounts payable	76,895
Total adjustments	<u>(90,876)</u>
Net cash provided (used) by operating activities	<u>62,941</u>
 <u>Cash flow from investing activities</u>	
Cash payments for the purchase of property	<u>(70,987)</u>
Net cash provided (used) by investing activities	<u>(70,987)</u>
 Net increase (decrease) in cash and equivalents	(8,046)
Cash and equivalents, beginning of year	<u>138,884</u>
 Cash and equivalents, end of year	<u>\$ 130,838</u>
 <u>Supplemental disclosures of cash flow information</u>	
<u>Cash paid during the year for:</u>	
Interest expense	<u>\$ 0</u>
Income Tax	<u>\$ 0</u>

See accountant's report and notes to financial statements

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
SCHEDULE OF STATE CONTRACTS
AWARDED BY THE STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS
OFFICE OF ALCOHOL AND DRUG ABUSE
FOR THE YEAR ENDED JUNE 30, 1999

<u>Contract Number</u>	<u>Contract Term</u>	<u>Contract Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Counseling Services</u> 64765	07/01/98-06/30/99	\$20,000	\$13,905	\$13,905
<u>CORE Treatment Center</u> 65780	10/01/98-06/30/99	\$327,264	\$311,934	\$311,934
<u>Personal Services</u> 65780	07/01/98-06/30/99	\$40,000	\$37,000	\$37,000
<u>Gambling Conference</u> 65729	09/01/98-10/31/98	\$15,000	\$12,854	\$12,854

See accountant's report and notes to financial statements

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(1) SIGNIFICANT ACCOUNTING POLICIES

Organization

The Louisiana Association on Compulsive Gambling is a non-profit corporation. The purpose of the Louisiana Association on Compulsive Gambling is to continue heightening public awareness that compulsive gambling is a preventable and treatable disease, through a combined strategy of education and training, and the efforts of individuals, families and all elements of the community working in concert.

Depreciation and capitalization policy

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis. The basis of valuation of depreciable assets is the asset's cost or fair market value at date of donation. Expenditures for assets in excess of \$500 are capitalized.

Provision for Income Taxes

No provision for income taxes is reflected in the statements as the Association files a tax-exempt return under IRS Section 501(c)(3).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within ninety (90) days of purchase.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The organization has not accrued compensated absences because the amount cannot be reasonably estimated.

Cash

At various times during the fiscal year, the Association's cash in bank balances exceeded the Federally insured limits. At June 30, 1999, the Association's uninsured cash balances totaled \$53,732.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999
(Continued)

(2) LEASES

The Association leases the facilities that house its treatment center. The term of the lease is five (5) years and the lease payments are \$4,500 per month, resulting in minimum lease payments of \$54,000 in the years ending June 30, 2000, 2001, 2002 and 2003 and \$24,750 in the year ending June 30, 2004. See Note 3 for additional information.

(3) RELATED PARTY TRANSACTIONS

The Association entered into transactions with the Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (the Council), a nonprofit organization related through common management. The Council owns a building that it leases to the Association. The term of the lease is five (5) years and the rental payment is \$4,500 per month. The lease includes a \$45,000 deposit by the Association that it may deduct from its rental payments to the Council at the rate of \$500 per month for ninety (90) consecutive months as a reduction in the amount of the deposit. At June 30, 1999, the remaining amount of the deposit was \$41,750. In the event that the Association does not make monthly payments or elects not to occupy the leased premises, the balance of the remaining deposit will be forfeited to the Council. The Council provides services and office space (separate from the leased building) to the Association and charges the Association a management fee for these services. The management fees were \$12,000 for the year ended June 30, 1999. The Council also processes the payroll for the Association and the Council receives reimbursement for the expense of the payroll and payroll taxes.

(4) DEPRECIATION EXPENSE

Depreciation expense of \$3,477 was charged to operations during the year ended June 30, 1999, and is included in Treatment Center Expenditures on the Statement of Activities.

(5) CONCENTRATIONS

Approximately 65% of the Association's total revenue comes from one source. Although not anticipated, the loss of this source of revenue could have an adverse effect upon the Association.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Louisiana Association on Compulsive Gambling
Shreveport, Louisiana

We have audited the financial statements of the Louisiana Association on Compulsive Gambling (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

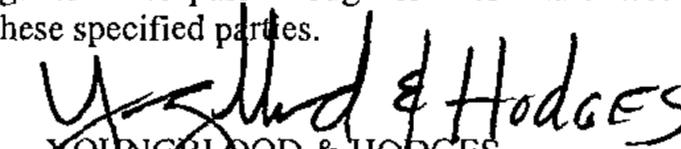
Compliance

As part of obtaining reasonable assurance about whether the Louisiana Association on Compulsive Gambling's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Association on Compulsive Gambling's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, other within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


YOUNGBLOOD & HODGES
A Professional Accounting Corporation

December 22, 1999